

**Exhibit C**

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS (CHICAGO)  
EASTERN DIVISION**

In re:

TEC-AIR, INC.,

Debtor.

Chapter 11

Case No. 17-32273 (JSB)

**DECLARATION OF ERVIN M. TERWILLIGER IN SUPPORT OF THE  
DEBTOR'S APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING  
THE EMPLOYMENT AND RETENTION OF THREE TWENTY-ONE CAPITAL  
PARTNERS AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO  
THE DEBTOR EFFECTIVE AS OF THE PETITION DATE**

Ervin M. Terwilliger, pursuant to 28 U.S.C. § 1476, declares:

1. I am the Managing Partner of Three Twenty-One Capital Partners ("321"), which maintains an office at 2205 Warwick Way Suite 310, Marriottsville, Maryland 21104.

2. I submit this Declaration in support of the application (the "Application")<sup>1</sup> of Tec-Air, Inc., the above-captioned debtor and debtor-in-possession (the "Debtor"), for entry of an order pursuant to sections 327(a), 328 and 1107 of title 11 of the United States Code (the "Bankruptcy Code") and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") authorizing the employment and retention of 321 as financial advisor and investment banker to the Debtor effective as of the Petition Date, and to provide the disclosures required under Bankruptcy Rules 2014(a).

**SERVICES TO BE PROVIDED**

3. 321 possesses the requisite experience in the areas of turnarounds, consulting, refinancing, sales as going-concerns, joint ventures, mergers, operating due diligence, creditor

---

<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

advisory, and financial/operational restructuring necessary to serve as the Debtor's financial advisor and investment banker in this Chapter 11 Case.

4. The nature and extent of services that 321 may render to the Debtor include, but are not limited to the following:

- (a) advising the Debtor in connection with its business plan and financial projections;
- (b) attending meetings with the Debtor and other parties in interest and providing testimony, if necessary, before the Bankruptcy Court;
- (c) assisting the Debtor in negotiations with creditors, contract counterparties, lessors and other parties in interest; and
- (d) advising and assisting the Debtor in connection with any potential sale, transfer or other disposition of its assets, including taking the necessary steps to market the Debtor's assets in a manner to maximize the value thereof and to generate the highest and best offers therefor, providing assistance with respect to the marketing or disposition of the assets and perform related services necessary to maximize the proceeds to be realized for the assets, facilitating the dissemination of information to interested parties with respect to the Debtor's assets and taking any other acts to prepare for, conduct and effectuate the sale and to insure the highest possible price(s) and/or best offer(s) for a sale, transfer or other disposition of the Debtor's assets;
- (e) providing general financial and restructuring advisory services in connection with the Debtor's Chapter 11 Case.

#### **PROFESSIONAL COMPENSATION**

5. The Debtor retained 321 in May 2017 to provide certain advisory, restructuring analysis and valuation services pursuant to an agreement between the Debtor and 321 dated May 8, 2017 (the "Initial Advisory Agreement"). A copy of the Initial Advisory Agreement is attached to the Application as Exhibit A.

6. Prior to the Petition Date, on May 30, 2017, the Debtor reimbursed 321 for \$5,000 of expenses incurred, in accordance with the terms of the Initial Advisory Agreement. The

Debtor did not pay any fees to 321 on account of the Initial Advisory Agreement prior to the Petition Date.

7. The post-petition services provided to the Debtor by 321 will be governed by the Agreement Between Tec Air, Inc. and Three Twenty-One Capital Partners (the “Investment Banking Agreement,” and collectively with the Initial Advisory Agreement, the “Agreements”) whereby 321 will seek one or more counterparties to purchase the Debtor’s Assets or provide the Debtor with post-petition debtor-in-possession financing (collectively, a “Transaction”). A copy of the Investment Banking Agreement is attached to the Application as Exhibit B.

8. The Investment Banking Agreement provides that the Debtor will reimburse 321 for out-of-pocket expenses that 321 incurs up to \$15,000, with \$5,000 due to 321 upon execution of the Investment Banking Agreement.

9. Furthermore, 321 will be paid a transaction fee (the “Transaction Fee”), payable in cash at the closing of a Transaction, equal to the greater of (a) \$250,000 or (b) the result of a calculation based upon the Transaction Value (as defined in the Investment Banking Agreement) as follows:

- (a) Eight Percent (8%) of the first \$1,000,000 of Transaction Value;
- (b) Seven Percent (7%) of Transaction Value between \$1,000,001 and \$2,000,000;
- (c) Six Percent (6%) of Transaction Value between \$2,000,001 and \$3,000,000;
- (d) Five Percent (5%) of Transaction Value between \$3,000,001 and \$4,000,000;
- (e) Four Percent (4%) of Transaction Value between \$4,000,001 and \$5,000,000; and
- (f) Three Percent (3%) of Transaction Value above \$5,000,000.

10. No agreement or understanding exists between myself, 321, or any other person for any division or sharing of compensation that is prohibited by statute.

**DISINTERESTEDNESS OF PROFESSIONALS**

11. In connection with its proposed retention by the Debtor in the Chapter 11 Case, 321 took certain steps to determine whether it had any conflicts or other relationships that might cause it not to be disinterested or to hold or represent an interest adverse to the Debtors. Specifically, 321 obtained from the Debtor and/or its representatives the names of individuals and entities that may be parties in interest in the Chapter 11 Case (the “Parties in Interest”). A list of the Potential Parties in Interest is attached hereto as **Schedule 1**.

12. A review of 321’s conflict database reveals that 321 has no current or prior relationship with any of the Potential Parties in Interest listed on Schedule 1, except as follows: in January 2016, 321 represented a client in connection with a transaction where Wipeco, one of the Debtor’s unsecured creditors, was the purchaser. This transaction was wholly unrelated to the Debtor or this Chapter 11 Case.

13. Insofar as I have been able to ascertain, neither I, 321, nor any partner or employee thereof, have any connection with the Debtor, its creditors, or any other parties in interest, their respective attorneys and accountants, Office of the United States Trustee for the Northern District of Illinois, any person employed in the Office of the United States Trustee for the Northern District of Illinois, or any Bankruptcy Judge currently serving on the United States Bankruptcy Court for the Northern District of Illinois.

14. Despite the efforts described above to identify and disclose 321’s connections with the Debtor and various parties in interest in this case, as the Debtor has not yet completed its schedules of assets and liabilities and statement of financial affairs (collectively, “Statements”

and Schedules”), 321 is unable to state with certainty that every client representation or other connection has been disclosed. Should 321 discover additional information that requires disclosure after the Debtor’s preparation of the Statements and Schedules, it will supplement these disclosures as appropriate.

15. 321 has in the past represented, currently represents, and may in the future represent entities that are claimants or interest-holders of the Debtor in matters wholly unrelated to the Debtor’s Chapter 11 Case. If 321 has such clients, it would not represent those clients in any matter related to the Debtor.

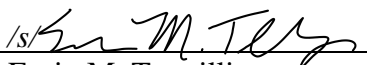
16. 321 will continue to supplement these disclosures in the future as appropriate.

17. 321 will not represent any entity other than the Debtor in connection with the Chapter 11 Case.

18. To the best of my knowledge, after diligent inquiry, 321 is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code, as 321, its partner and employees (a) are not creditors, equity security holders, or insiders of the Debtor; (b) are not and were not, within 2 years before the date of the filing of the Debtor’s chapter 11 petition, a director, officer, or employee of the Debtor; and (c) do not represent or hold an interest adverse to the interests of the Debtor’s estate with respect to the matters in which 321 is proposed to be employed.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: November 7, 2017

  
Ervin M. Terwilliger

**Schedule 1**

**Tec-Air, Inc.  
Potential Parties in Interest**

**Debtor:**

Tec-Air, Inc.

**Officers/Directors/Members:**

Robert J. McMurtry  
Jennifer L. McMurtry

**Restructuring Professionals of the Debtor:**

Cullen and Dykman LLP  
Three Twenty-One Capital Partners, LLC

**Secured Lenders:**

The Leaders Bank  
Byline Bank, as successor by merger to Ridgestone Bank

**Counsel to Secured Lenders:**

Scott & Kraus, LLC  
Chuhak & Tecson, P.C.

**Stalking Horse Bidder:**

Chatterjee Management Company

**Counsel to Stalking Horse Bidder:**

Meltzer, Purtill & Stelle LLC

**Unsecured Creditors:**

A. Schulman, Inc.  
ABC Employment Holdings  
Able Paper & Janitorial Supply  
ACS Auxilliaries  
Adventist Hindsdale  
Adventist La Grange Hospital  
AEC, Inc.  
AFLAC

Akerman LLP  
Allied Benefit Systems, Inc.  
Altrust Precision Tooling Co.  
American Anesthesia  
American Health Holding  
Arburg, Inc.  
Arora MD  
Ashahi Kasei Plastics NA, Inc.  
Associated Radiologist  
Benchmark Fasteners, Inc.  
Best Messenger Service, Inc.  
Best Metal  
Best Transportation Service, Inc.  
Blades Machinery  
Calidad en Servicios Industriales  
Catching Fluidpower, Inc.  
CD&R Components Inc.  
Central Dupage Hospital  
Chase Plastic Services Inc.  
Chicago Metropolitan Fire Prev  
Chicago Office Products Co.  
Chicago Rehabilitation  
Cideas  
CLC Lubricants Co.  
CNA  
CNA Insurance  
Commercial Pallet, Inc.  
Community Care Net  
Community Hospital  
Community Hospitals of IL  
Conair/IPEG, Inc.  
COTG  
Crossmark Printing Inc.  
D & D Enterprises, Inc.  
Daichi Jitsugyo (America) Inc.  
Dayton Freight  
Decatur Mold  
Delta Industries Inc.  
Diversified Engineering Services  
DME Company  
Don Ulrich  
Dynasty Mold Builders, Inc.  
Eagle Mat & Floor Products  
Edward Eckart  
Entec Polymers  
Euler Hermes Collections N. America



Express Services Inc.  
Fedex  
Fedex Freight, Inc.  
Fidelity Security Life Ins.  
First Call Quality  
First Call Temporary Services, Inc.  
FPM Heat Treating  
Franciscan Health  
Franciscan Health Munster  
Franciscan Healthcare Munster  
Franciscan Physicians  
Fre-Flo Distribution  
Global Equipment Co., Inc.  
GR Spring & Stamping Inc.  
Grainger  
Great Lakes Credit Union  
Great Lakes Welding Supply  
Guardian-Appleton  
H Alan Jones D.O., Inc.  
Hagerman & Company, Inc.  
Hines Industries  
Hinsdale Office CS  
IFM Efector, Inc.  
Illinois Retina Assoc.  
Imaging Associates  
Impact Technology Solutions  
Imprint Enterprises, Inc.  
Indiana Department of Revenue  
Industrial Thermo Products  
IQMS  
Janet Rivett  
Jarava MD  
Kirit Shah, MD  
Komatsu Forklift of Chicago  
Kopp Welding, Inc.  
Lanxess  
Lanxess Corporation  
LBC Owner LLC  
Liaison Technologies  
Little Co. of Mary Hospital  
Loyola University Medical Center  
M. Holland Company  
MacNeal Hospital  
Materials Engineering Inc.  
Matis Inc.  
Matsui

McMaster-Carr Supply Co.  
McShane's Business Products  
Meany Inc. Electrical Con.  
Melissa McKnight  
Methodist Hospital Inc.  
Metlife – Group Benefits  
Midwest Moving and Storage  
Midwest Pension & Profit  
Midwest Pension Fund  
MSC Industrial Supply  
Mt. Sinai Hospital Medical Center  
Munster High Booster Club  
National Lift Truck  
Neal Wolf & Associates  
Nexeo Solutions, Inc.  
Nexus Employment Solutions  
MIPSCO  
Nissan Trading Co  
Nissan Trading Corp., Americas  
Northstar Location Services LLC  
Northwest Indiana Pathology  
Northwestern Medical  
Northwestern Memorial Hospital  
O.R. Laser Technology, Inc.  
Office Team  
Omni Plastics  
On Time Messenger  
P.J. Spring Co., Inc.  
Packaging Corporation of America  
Packaging Logic  
Pain Control Associates  
Pathology Consultants  
Paychex  
PCS Company  
Pirtek  
Pitney Bowes Global Financial Serv.  
Pitney Bowes Purchase Power  
Plastic Profess Equipment, Inc.  
Plastics Color Corp. of IL  
Plastics Color Corp.  
Plastics Color Corp. of NC  
Priority Messenger Service  
Pro Auto  
Progressive Components  
Progressive Enterprises  
Purcell Commercial Cleaning

Quadrant Magnetics  
Quest Diagnostics  
Radici Plastics USA  
Reed Machinery & Transportation  
Richard Swin  
Ricky McGear  
Rikki Kay Swin  
Ron's Staffing Services, Inc.  
Rush University Medical Center  
S-2 International LLC  
Schmit Prototypes  
Schwab Paper Products  
SCSI Business Solutions, LLC  
SCSI LLC  
Sedgwick Claims Mgmt Services  
Selden Fox  
Sepro America, LLC  
Silver Cross Hospital  
Simple Laboratories  
Solvent Systems  
South Suburban Hospital  
Southwest Airlines  
Sreeram MD  
St. Jude Medical Clinic  
St. Vincent Hospital  
Stanley Spring  
Steiner Electric  
Sterling Staffing  
Stoner, Inc.  
Stratosphere Quality LLC  
Suburban Anesthesiologist  
Superior Petroleum Products, Inc.  
Supply Chain Services International  
Sure-Cut E.D.M. Inc.  
Surfacetex Corp.  
Telar  
Tennova Healthcare  
The Breast Care Center  
The Community Hospital  
The Materials Group, LLC  
The PIC Group, Inc.  
Timothy J. Morrison OD  
Toray Resin Company  
UESCO Industries, Inc.  
UIC Anesthesiology  
UIC Surgery

UL LLC  
Uline  
University of Illinois Hospital  
UPS  
UPS Freight  
UPS Logistics  
UPS Supply Chain Solutions  
Vac Motion Inc.  
Vactec LLC  
Vantec World Transport (USA)  
Vedder Price  
Veritiv Operating Company  
Village of Willow Springs  
Voelker Litigation Group  
Washington Penn Plastic Co.  
Welch Packaging Group  
Wells Fargo Equipment Finance  
Wells Fargo Financial Leasing  
Wilhelm Weber GmbH & Co. KG  
Wipeco  
Wittman Bottenfeld  
Wuertz Law Office LLC  
Yudo, Inc.  
Yushin America  
ZMX Transportation Services  
Zondor Creative

**Utilities:**

Northern Indiana Public Service Company  
Town of Munster, IN  
Waste Management  
Comcast Business  
AT&T Mobility  
Chicago Electric  
ComEd  
Groot Industries  
Hicksgas, LLC  
H-O-H Water Technology, Inc.  
Liberty Propane

**Contract/Lease Counterparties:**

Comcast Business  
Northern Indiana Public Service Company  
Indiana Economic Development Corporation

IQMS Manufacturing ERP  
Impact Technology Solutions  
H-O-H Water Technology, Inc.  
Waste Management of Indiana, L.L.C.  
Wells Fargo Equipment Finance  
Wells Fargo Financial Leasing  
Fletcher Jones Audi Chicago  
Munster Development LLC  
Prairie Square LLC

**United States Trustee for the Northern District of Illinois (and Key Staff Members):**

Adam Brief  
Kimberly Bacher  
Patricia Brasier  
Elizabeth Brusa  
Joanne W. Burne  
Denise Ann Delaurent  
Michelle M. Engel  
Sandra George-Booker  
Kathryn M. Gleason  
Julie Hearn  
Pamela Hillman  
Andrew Hunt  
Benita Jones  
Maria Kaplan  
Keith E. Manikowski  
Candice Manyak  
Laura McCabe  
Rita Mierzwa  
Jeremiah Nelson  
Ha Nguyen  
Kathryn O'Kelly  
Patricia A. Parker  
M. Gretchen Silver  
Jeffrey Snell  
Roman L. Sukley  
Thomas Thornton  
Jennifer Toth  
Robert J. Wakefield  
Connie Jean Warner  
Stephen G. Wolfe  
Marie Yapan

**Bankruptcy Judges for the Northern District of Illinois**

Chief Judge Pamela S. Hollis  
Judge Janet S. Baer  
Judge Timothy A. Barnes  
Judge Donald R. Cassling  
Judge Jacqueline P. Cox  
Judge Carol A. Doyle  
Judge A. Benjamin Goldgar  
Judge LaShonda A. Hunt  
Judge Thomas M. Lynch  
Judge Jack B. Schmetterer  
Judge Deborah L. Thorne